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SUBJECT: EU LEADERS BLESS "UNION FOR THE MEDITERRANEAN" AS "UPGRADE"  
OF BARCELONA PROCESS

¶1. SUMMARY. EU leaders in the March 13-14 European Council gave their blessing to the "Union for the Mediterranean" initiative presented by French President Sarkozy and German Chancellor Merkel. The plan, described by Slovene PM-European Council chair Jansa as "an upgrade" of the existing Euromed Barcelona Process, will involve all EU Member States in cooperation with their Southern Mediterranean partners. The Commission was tasked to define its modalities of the scheme in view of a summit meeting of participants to take place in Paris on July 13. This outcome appeared to be the only way not to say NO to Sarkozy-forthcoming French presidency, who had previously reached a deal on the outlines of the plan at a private dinner with Merkel in early March. Solana (a key player as then-Spanish FM when the Barcelona Process was established in 1995) also put a brave face on the outcome. Details obviously remain to be worked out. Commission President Barroso emerges as the pen holder when it comes to fixing the modalities, although he was careful to say that member states have final authority. END SUMMARY.

¶2. EU heads of State and government in their March 13-14 European Council gave their blessing to a French proposal for a Mediterranean Union to boost ties between the EU Member States and their Southern Mediterranean partners (non-EU Mediterranean coastal states). The plan, presented by French President Sarkozy and German Chancellor Merkel to their colleagues over dinner on March 13, emerged from the meeting as a scheme markedly different from the original design as proposed last year by President Sarkozy.

¶3. In essence, the concept now appears to have shrunk from a forum grouping only states with a Mediterranean coastline and involving a series of agencies and a bank, to a scheme for holding regular summit meetings of EU and Mediterranean countries with a joint presidency - a formula that may still be dropped - and a small secretariat. The revised plan, described in a Franco-German

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document circulated to EU capitals ahead of the European Council, provides for a co-presidency to be shared at the outset by one non-EU country from the Southern flank of the Mediterranean and one EU Member State with a Mediterranean coastline. Spanish Secretary of State for European Affairs Navarro cautioned in Brussels that such rotating co-presidency system would not work because (some) Arab countries would likely not agree to assign it to Israel. HR Solana reportedly voiced similar concerns.

¶4. Speaking at a post-dinner press conference on March 13 Jansa presented the new initiative as an "upgrade" of the existing Barcelona process, saying it was "part of a normal evolution." Jansa said that all EU Member States would be involved in the proposed scheme that "enjoyed support from the (European) Council." The European Council conclusions tasked the Commission to propose "the necessary proposals for defining the modalities of what will be called 'Barcelona Process: Union for the Mediterranean' in view of" a Summit meeting of participants to take place in Paris on July 13. Commission President Barroso openly backed the plan, expressing his satisfaction that the initiative will now involve the EU-27 "as we

(the Commission) have been calling for as from the beginning." Barroso told reporters the Commission would welcome further inputs in drafting its proposals. He made it clear that the final decision (on the details of the scheme) would rest with the European Council. Jansa and Barroso told questioners that the Franco-German draft was never addressed by the leaders as a possible alternative to Turkey's accession to the EU.

15. While no leader appeared to have raised formal objections to the presentation of the scheme, some delegations sounded far from enthusiastic in their side-comments to press. Austrian Chancellor Gusenbauer said the idea "doesn't do any harm" but added: "What matters to us is that it's not some special grill party for a few Member States." Sarkozy countered by telling reporters he "never had the idea of excluding" anyone nor was the plan ever-conceived as "a rival to the EU." Sarkozy acknowledged that consultations on his initiative had been somewhat difficult but stressed that relations with Chancellor Merkel had not been strained over the issue, saying they remained "excellent."

16. As it stands, the revised scheme appears to be short of specifics on new concrete projects as well as on financing arrangements. French sources mentioned tentative plans for cleaning up the polluted Mediterranean Sea as well as joint efforts to combat forest fires but other officials doubted few concrete projects could be ripe for approval by the time of the July Paris Summit. To appease the concerns of Germany and other budget-minded countries, the "Union for the Mediterranean" would not provide for any new EU funding on top of existing resources as envisaged under the Barcelona Process. The Germans, who feared the original French plan would have split the EU and siphoned off funding for the benefit of some EU Mediterranean countries and their partners on the Southern flank, offered no flexibility on this point. According to some sources at the European Council, France may seek additional funding from the private sector but the idea immediately raised questions as to the control of such funding.

17. COMMENT: The Barcelona Process of trade, cultural and political

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cooperation launched under Spanish Presidency in 1995 is deemed to have yielded disappointing results. This is due to the ongoing Middle East conflict but also to failure of some Mediterranean countries to provide adequate and democratic structures to absorb funds. Progress toward the original aim of a Euro-Mediterranean free trade area by 2010 has definitely been slow. In practice, the "Union for the Mediterranean" designed to promote cooperation in a regional dimension and develop solidarity among its participants therefore looks likely to face the same obstacles as the current Euromed partnership and to end up as little more than a new political umbrella for the Barcelona Process.

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